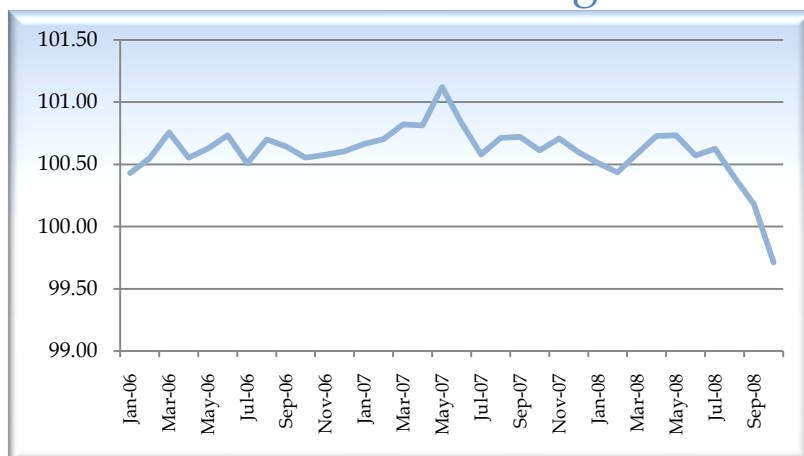




# South Carolina Economic Outlook

Volume 1: Issue 2 November, 2008

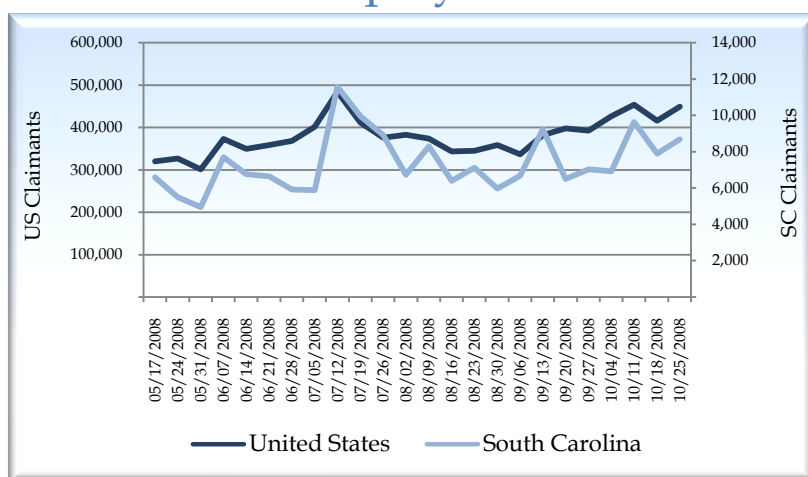
## South Carolina Leading Index



Source: South Carolina Department of Commerce

The second issue of the South Carolina Economic Outlook now includes an Index of Leading Economic Indicators for the state. The Leading Index is developed to forecast the state's economic status three to six months in advance. The index equals 100 in its base year of 2000. Its initial components include initial claims for unemployment insurance, average weekly manufacturing hours, and permits for residential construction. Since July, the index has declined, with the decrease in October being the sharpest.

## Initial Unemployment Claims



Source: U.S. Department of Labor

Initial claims for unemployment rose during the month of October. South Carolina claims have been largely in step with the national trend. Since declining after the federally-enacted extended benefits this summer, initial claims for unemployment insurance began trending upward in September.

## KEY S.C. INDICATORS

### Income

2.6%

#### State Personal Income

rose \$3.6 billion in the 2<sup>nd</sup> quarter, a 2.6% increase over 1<sup>st</sup> quarter.

Bureau of Economic Analysis, U.S. Census

-4.7%

#### Retail Sales

fell \$577 million for September over the previous month.

South Carolina Department of Revenue

### Employment

0.2%

#### Nonfarm Employment

increased 4,100, or 0.21%, in October.

Bureau of Labor Statistics

0.6%

#### Labor Force Participation

increased 13,688 in October over the previous month.

Bureau of Labor Statistics

0.7%

#### Unemployment Rate

rose a seasonally adjusted 0.7 points in October to a rate of 8.0%.

Bureau of Labor Statistics

-2.1%

#### Manufacturing Weekly Hours

decreased 0.9 hours, or 2.14%, in October.

Bureau of Labor Statistics

3.2%

#### Available Online Job Postings

increased 1,700 statewide in October.

The Conference Board Help Wanted Online Index

### Real Estate

-4.2%

#### Median Home Sale Price

declined in October to \$148,400 statewide.

South Carolina Association of Realtors

-11.7%

#### Building Permits

declined by 212 units in October over the previous month.

U.S. Census

## South Carolina Employment

*Non-Seasonally Adjusted Wage and Salary Employment*

Nonfarm employment rose in October by 4,100 jobs. This figure represents a monthly increase of 0.21%. Over the same month last year, however, employment was down by 20,900, or slightly over 1%. The annual losses have largely been driven by declines in the Construction industry which has lost a total of 18,600 jobs during the past year. Accommodations and Food Services continued to shed jobs,

a total of 3,400 in October, due to overall economic pressures. Trade, Transportation, and Utilities, led by the Retail Trade component, gained 2,700 jobs. State and Local Government also continued to grow, adding a combined 2,400 positions. Professional and Business services added 2,700 jobs in October. The statewide unemployment rate rose to 8%, while witnessing a seasonally-adjusted increase in workers participating in the labor force.

Industry Sector	October 2008	September 2008	October 2007	% Change Month Ago	% Change Year Ago
<b>Goods Producing</b>	<b>356,600</b>	<b>357,200</b>	<b>383,700</b>	<b>-0.17</b>	<b>-7.06</b>
Natural Resources and Mining	4,400	4,400	4,500	0.00	-2.22
Construction	112,100	111,300	130,700	0.72	-14.23
Construction of Buildings	29,800	29,800	33,200	0.00	-10.24
Heavy and Civil Engineering Construction	15,800	16,200	18,200	-2.47	-13.19
Specialty Trade Contractors	66,500	65,300	79,300	1.84	-16.14
Manufacturing	240,100	241,500	248,500	-0.58	-3.38
Durable Goods	132,600	133,100	138,000	-0.38	-3.91
Nondurable Goods	107,500	108,400	110,500	-0.83	-2.71
<b>Service Providing</b>	<b>1,592,500</b>	<b>1,587,800</b>	<b>1,586,300</b>	<b>0.30</b>	<b>0.39</b>
Trade, Transportation, and Utilities	373,200	370,500	378,800	0.73	-1.48
Wholesale Trade	71,600	71,300	72,900	0.42	-1.78
Retail Trade	234,200	231,900	238,800	0.99	-1.93
Transportation Warehousing and Utilities	67,400	67,300	67,100	0.15	0.45
Information	27,500	27,600	28,000	-0.36	-1.79
Finance	107,800	108,400	106,500	-0.55	1.22
Finance and Insurance	76,200	76,400	76,300	-0.26	-0.13
Real Estate and Rental and Leasing	31,600	32,000	30,200	-1.25	4.64
Professional and Business Services	226,300	223,600	231,900	1.21	-2.41
Professional, Scientific, and Technical	76,200	75,000	74,100	1.60	2.83
Management of Companies and Enterprises	15,500	15,600	15,700	-0.64	-1.27
Admin and Support of Waste Management	134,600	133,000	142,100	1.20	-5.28
Educational and Health Services	209,200	209,100	204,600	0.05	2.25
Leisure and Hospitality	220,000	223,500	219,400	-1.57	0.27
Arts, Entertainment, and Recreation	28,600	28,700	28,800	-0.35	-0.69
Accommodation and Food Services	191,400	194,800	190,600	-1.75	0.42
Other Services	75,100	74,100	73,900	1.35	1.62
<b>Total Private</b>	<b>1,595,700</b>	<b>1,594,000</b>	<b>1,626,800</b>	<b>0.11</b>	<b>-1.91</b>
<b>Government</b>	<b>353,400</b>	<b>351,000</b>	<b>343,200</b>	<b>0.68</b>	<b>2.97</b>
Federal Government	29,900	29,900	29,800	0.00	0.34
State Government	101,200	100,600	99,400	0.60	1.81
Local Government	222,300	220,500	214,000	0.82	3.88
<b>Total Nonfarm</b>	<b>1,949,100</b>	<b>1,945,000</b>	<b>1,970,000</b>	<b>0.21</b>	<b>-1.06</b>

Source: U.S. Department of Labor, Bureau of Labor Statistics

## South Carolina Real Estate

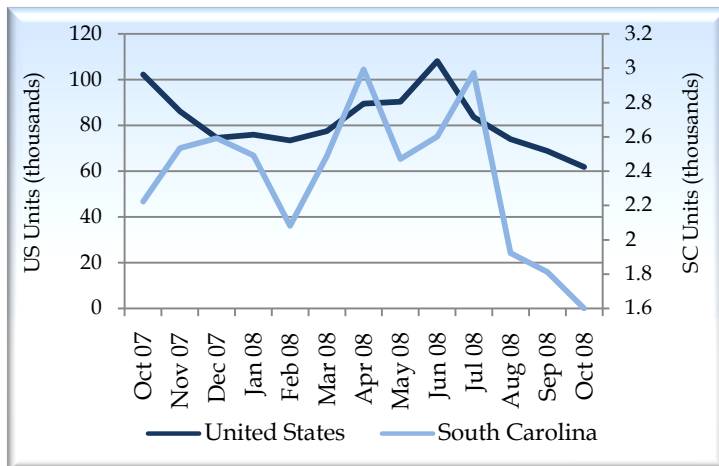
After holding steady in September, the statewide median home sales price declined in October to \$148,400. Closings continued their monthly decline as 346 fewer units were sold in October over the previous month. The statewide average number of days homes were listed on the market rose to 168 versus 160 the previous year. Foreclosure starts let up slightly in October, falling by just over 170 starts, but they were still 262.7% above their levels from the previous year. Finally, building permits for residential construction declined over last month by 212 units, with the monthly valuation declining by \$61.8 million.

	Month	Current	Previous Year	% Change Year Ago	2008 YTD	2007 YTD	% Change Year Ago
Closings	October	3,470	4,606	-24.7%	41,166	53,636	-23.2%
Median Sales Price*	October	148.4	158.2	-6.2%	155	160	-3.1%
Foreclosures	October	2,031	560	262.7%	12,302	5,038	144.2%
Residential Building Permits-Total	October	1,600	2,223	-28.0%	23,432	33,178	-29.4%
Residential Building Permits-Valuation*	October	229,108	394,105	-41.9%	3,773,176	5,029,389	-25.0%

Source: S.C. Realtors, U.S. Census, RealtyTrac

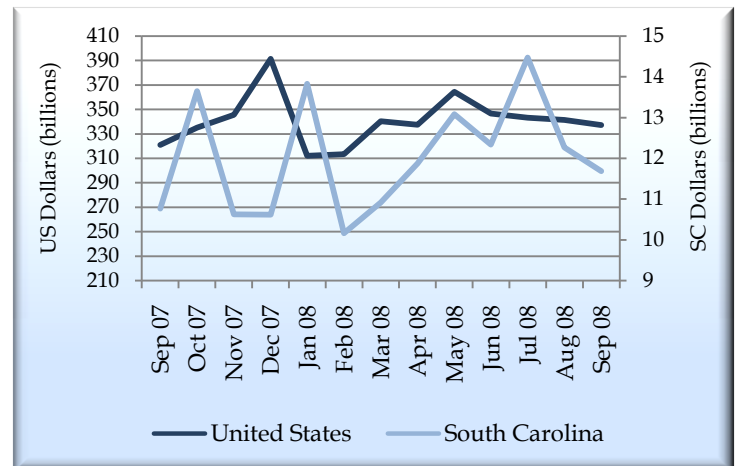
\* Thousands of U.S. dollars

### Residential Building Permits



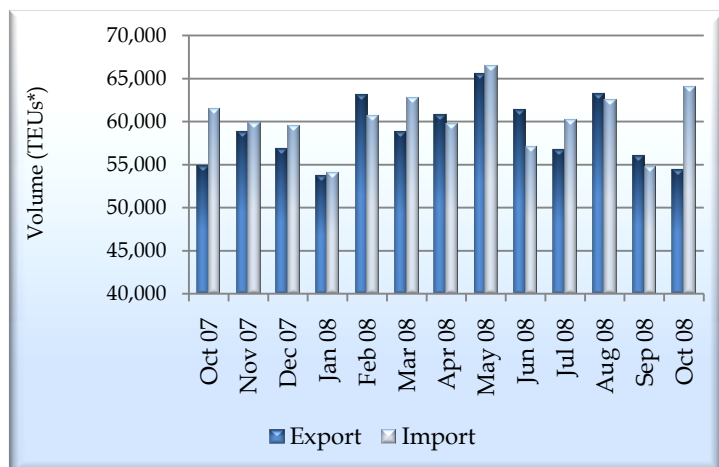
Source: U.S. Census

### Retail Sales



Source: S.C. Department of Revenue

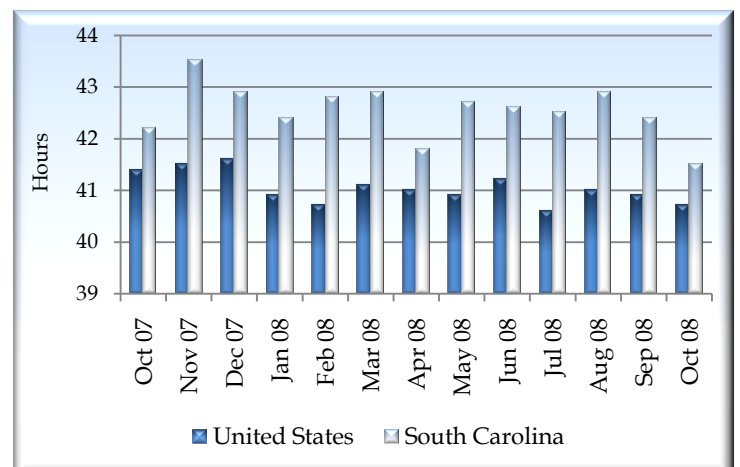
### Port of Charleston



Source: S.C. Ports Authority

\*Twenty-Foot Equivalent Units

### Average Weekly Hours Worked\*



Source: U.S. Department of Labor

\*For manufacturing sector